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National Energy Board | Office national de l'énergie

NewsRelease

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NEB APPROVES GROS CACOUNA RECEIPT POINT APPLICATION

CALGARY — The National Energy Board (NEB) approved today an application by TransCanada PipeLines Limited (TransCanada) for the receipt of natural gas from a liquefied natural gas (LNG) regasification terminal at Gros Cacouna, Québec. The NEB also determined how the tolls for services would be calculated from this new receipt point.

The application for a new receipt point was submitted as a way to accommodate a request by Petro-Canada Oil and Gas (Petro-Canada) who plans to transport natural gas from the Gros Cacouna LNG Terminal using TransCanada's Integrated System. The addition of the Gros Cacouna receipt point on the Integrated System will only become effective if and when all the required facilities are approved and ready to go into operation. The application for such facilities has not yet been filed.

The NEB took into consideration the fact that TransCanada had obtained a precedent service agreement from Petro-Canada consisting of the following guarantees:

- A 20 year service commitment for firm transport demand charges; and
- A compensation package for expenses sustained by TransCanada for developing the necessary facilities, should the service request be withdrawn.

Given the long lead time and uncertainty associated with proposed LNG projects, the NEB agreed that having negotiated a service agreement was a prudent measure and would help to protect existing shippers from risk and expense.

In its decision, the NEB approved the applied-for toll methodology for service from the Gros Cacouna receipt point which, in essence, reaffirms the existing rolled-in tolling methodology on TransCanada's Integrated System. A rolled-in methodology means that all extension costs are rolled into a single, existing cost pool and charged to all shippers.

The NEB also decided that reasonable costs required to provide service from Gros Cacouna could be recovered, but a determination of such costs could only be made as part of a future application.

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The NEB is an independent federal agency that regulates several parts of Canada's energy industry. Its purpose is to promote safety and security, environmental protection, and efficient energy infrastructure and markets in the Canadian public interest, within the mandate set by Parliament in the regulation of pipelines, energy development and trade.

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This news release and the Reasons for Decision are available on the Board's Internet site at www.neb-one.gc.ca under *What's New*!

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